India to review the working of the monetary system in India has submitted its report; and

(b) if so, what are the main recommendations made by the Committee and what is Government's reaction thereof?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) A statment is enclosed.

Statement

The report of the Committee to Review the working of the Monetary System which was submitted to the Reserve Bank of India in May, 1985, has made a number of recommendations in regard to the monetary system.

The Committee is of the view that the objective of price stability should be pursued mainly through monetary policy in the short run. It has stressed the importance of close coordinations between monetary policy and fiscal policy. In this connection, it has *inter alia* recommended that a proper framework for the regulation of Reserve Bank credit to Government should be evolved by the R.B.I. and the Government with due regard to the impact of monetisation of debt. A revision of the yields on government securities and the rate of discount on Treasury Bills has been suggested in this context. In order that credit requirements of the productive sector are adequately met, the Committee has recommended that banks should have greater freedom in determining their lending rates. It is also of the view that concessional interest rates as a redistributive device should be used in a very selective manner. The Committee has stressed the importance of providing bank credit in the form of loans and bill finance instead of predominantly in the form cash credit as at present. As regard interest rates on bank deposits, it is of the view that the latter should be positive after adjusting for inflation. It has cautioned that the monetary policy should not be dependent excessively on any single or just a few instruments of monetary regulations and has suggested that the Reserve Bank should take measures to develop an deficient money market.

The Reserve Bank of India will be taking necessary action in consultation with the Government in response to the recommendation made by the Committee.

Complaints against Customs staff posted at Trivandrum Airport

374. SHRI N. E. BALRAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a series of articles which appeared in the Malayalam daily 'Mathrubhoomi' on September 30 to October 6, 1985 alleging rampant corruption among the Customs staff posted at Trivandrum airport;

(b) if so, what action has been taken in the matter;

(c) whether Government have received any complaints about harassment of Indian citizens coming from Gulf countries by the Customs staff posted at Trivandrum; and

(d) whether any steps have been taken to end such harassment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes. Sir.

(b) The matter has been investigated and it is found that the allegations are essentially of a general nature and do not contain sufficient material to warrant disciplinary proceedings against the staff. However, steps have been taken to intensify supervision, so that clearance processes are expedited and no malpractices are indulged in by the staff. The position is also kept under watch from the vigilance point of view for appropriate action.

(c) and (d) Complaints received from Indian citizens coming from Gulf Countries at Trivandrum Airport have generally been found to be more in the nature of protest against levy of higher duty or against denial of Transfer of Residence concession rather than of harassment. To avoid hardship and harassment of passengers, Customs staff posted at airports have been instructed to clear the passengers on the basis of their declaration. Examination of baggages is resorted to only in cases of suspicion and such examination is carried out under the supervision of senior officers.

Closed textile mills

375. SHRI CHIMANBHAI MEHTA: Will the Minister of TEXTILES be pleased to state:

(a) what is the number of closed textile mills in India at present and the number thereof in Gujarat and the number of workers rendered unemployed as a result thereof;

(b) whether the proposal for nationalisation of twelve closed mills in Ahmedabad has been finalised; and

(c) what are the names of the other States which are managing nationalised textile mills?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) As on 30-9-85, 81 Cotton Textile Mills in the country including 21 units in Gujarat were closed. Total number of employees on roll in these 21 mills in Gujarat is about 33,000.

(b) Yes, Sir.

(c) In addition to the Government of Gujarat, Government of Maharashtra, Kerala and Orissa are managing Cotton Textile Mills which were nationalised by them.

Indian labourers in Gulf countries

376. DR. SHYAM SUNDAR MOHAPATRA: Will the Minister of LABOUR be pleased to state:

(a) how many labourers are working in Gulf countries whose records are kept by his Ministry; and

(b) whether there is any check on the contractors supplying labourers to foreign countries?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI T. ANJAIAH): (a) As per information available approximately 9 lakh workers are employed in Gulf countries. Their records are however not kept by this Ministry.

(b) With regard to contractors supplying labourers to foreign countries there are checks and safeguards which are embodied in the Emigration Act, 1983 and the Rules framed thereunder.

377. *[Transferred to the 29th November, 1985].*

Suspension dismissal of Income Tax officers

378. DR. SHYAM SUNDAR MOHAPATRA: Will the Minister of FINANCE be pleased to state:

(a) how many Income Tax officers have been suspended for neglect of duty and also dismissed/superannuated for bad antecedents during the last one year; and

(b) whether the Ministry was satisfied about the action taken against them after due inquiry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) 14 Income-tax Officers and 3 Assistant Commissioners of Income-tax have been suspended by the department during the year 1985. 5 Income-tax Officers were either dismissed or compulsorily retired